

January 14, 2015

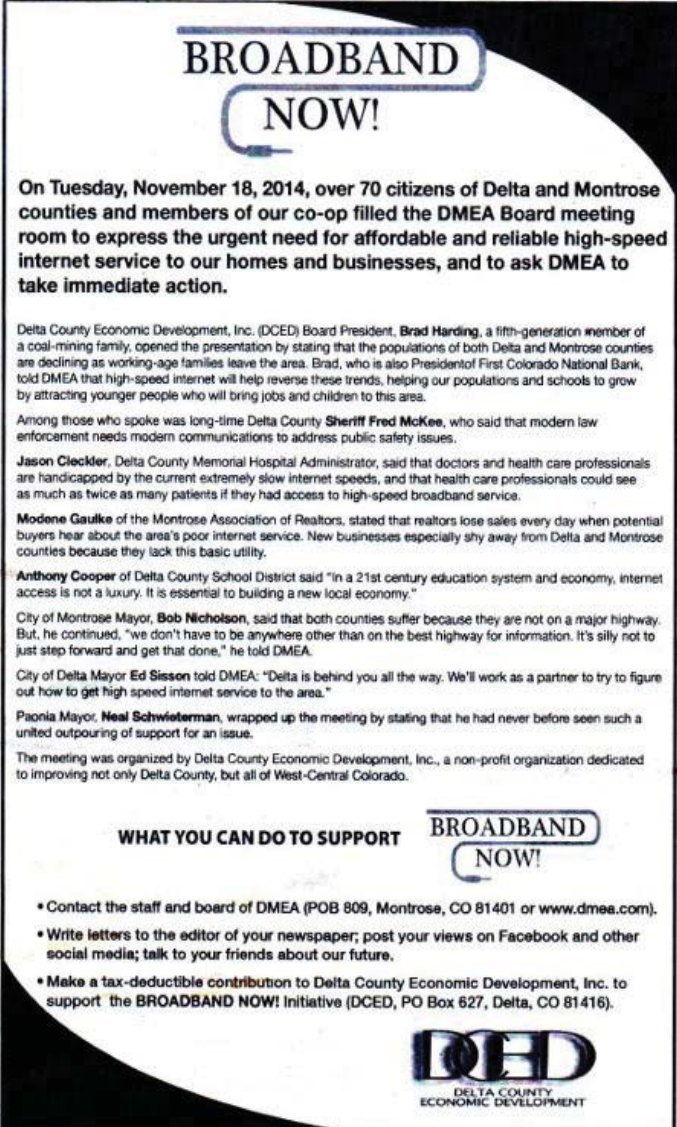
The Honorable Tom Wheeler, Chairman
Federal Communications Commission
445 12th Street, SW
Washington, DC 20536

Subj. Waste Of Taxpayer Dollars – TDS Telecom – Proceeding 10-90

Dear Chairman Wheeler:

My name is Tom Blanford and I live in Western Colorado. I am retired from a 30+ year career in telecommunication system design for a multi-state, utility scale, fortune 500 corporation. I am not currently nor have I ever been an employee of any organization selling telephone, Internet or data services for profit. I should also mention that I purchase no services from either TDS Telecom or CenturyLink and have not done so for a number of years.

TDS Telecom is a \$billion dollar corporation (NYSE:TDS) based in Madison, Wisconsin. David A. Wittwer is the president and C.E.O. of the organization providing services to a portion of Delta County, CO. TDS Telecom has applied for and received many grants from your organization. For this area TDS applied for some \$5,353,216.00 dollars for their project here in Colorado as detailed in one document below plus \$1,826,979.00 as referenced in another document below. The purpose of this filing is to review what has been accomplished with the grant dollars provided by your organization so far and the apparent mounting confusion surrounding additional applications for funding involving this same area.



BROADBAND NOW!

On Tuesday, November 18, 2014, over 70 citizens of Delta and Montrose counties and members of our co-op filled the DMEA Board meeting room to express the urgent need for affordable and reliable high-speed internet service to our homes and businesses, and to ask DMEA to take immediate action.

Delta County Economic Development, Inc. (DCED) Board President, **Brad Harding**, a fifth-generation member of a coal-mining family, opened the presentation by stating that the populations of both Delta and Montrose counties are declining as working-age families leave the area. Brad, who is also President of First Colorado National Bank, told DMEA that high-speed internet will help reverse these trends, helping our populations and schools to grow by attracting younger people who will bring jobs and children to this area.

Among those who spoke was long-time Delta County **Sheriff Fred McKee**, who said that modern law enforcement needs modern communications to address public safety issues.

Jason Ciekler, Delta County Memorial Hospital Administrator, said that doctors and health care professionals are handicapped by the current extremely slow internet speeds, and that health care professionals could see as much as twice as many patients if they had access to high-speed broadband service.

Modene Gaulke of the Montrose Association of Realtors, stated that realtors lose sales every day when potential buyers hear about the area's poor internet service. New businesses especially shy away from Delta and Montrose counties because they lack this basic utility.

Anthony Cooper of Delta County School District said "in a 21st century education system and economy, internet access is not a luxury. It is essential to building a new local economy."

City of Montrose Mayor, **Bob Nicholson**, said that both counties suffer because they are not on a major highway. But, he continued, "we don't have to be anywhere other than on the best highway for information. It's silly not to just step forward and get that done," he told DMEA.

City of Delta Mayor **Ed Sisson** told DMEA: "Delta is behind you all the way. We'll work as a partner to try to figure out how to get high speed internet service to the area."

Paonia Mayor, **Neal Schwieterman**, wrapped up the meeting by stating that he had never before seen such a united outpouring of support for an issue.

The meeting was organized by Delta County Economic Development, Inc., a non-profit organization dedicated to improving not only Delta County, but all of West-Central Colorado.

WHAT YOU CAN DO TO SUPPORT

BROADBAND NOW!

- Contact the staff and board of DMEA (POB 809, Montrose, CO 81401 or www.dmea.com).
- Write letters to the editor of your newspaper; post your views on Facebook and other social media; talk to your friends about our future.
- Make a tax-deductible contribution to Delta County Economic Development, Inc. to support the BROADBAND NOW! Initiative (DCED, PO Box 627, Delta, CO 81416).

DCED
DELTA COUNTY
ECONOMIC DEVELOPMENT

The graphic shown to the right was sponsored by the local Delta County Economic Development (DCED) organization. DCED has filed under proceeding 10-90 for yet more money (Doc. 7521098448.pdf) to be spent in the same TDS Telecom service territory. The DCED organization represents small businesses residing in both the TDS Telecom service territory as well as CenturyLink's service territory. Based on my personal observations and experience in this area, I

would say little to nothing (outside of enriching the coffers of TDS Telecom) has been accomplished with the \$millions of funding dollars provided so far. I would also say that much of what was stated in the USDA/RUS and NITA documents (below) was simply a lie in order to obtain the grant money.

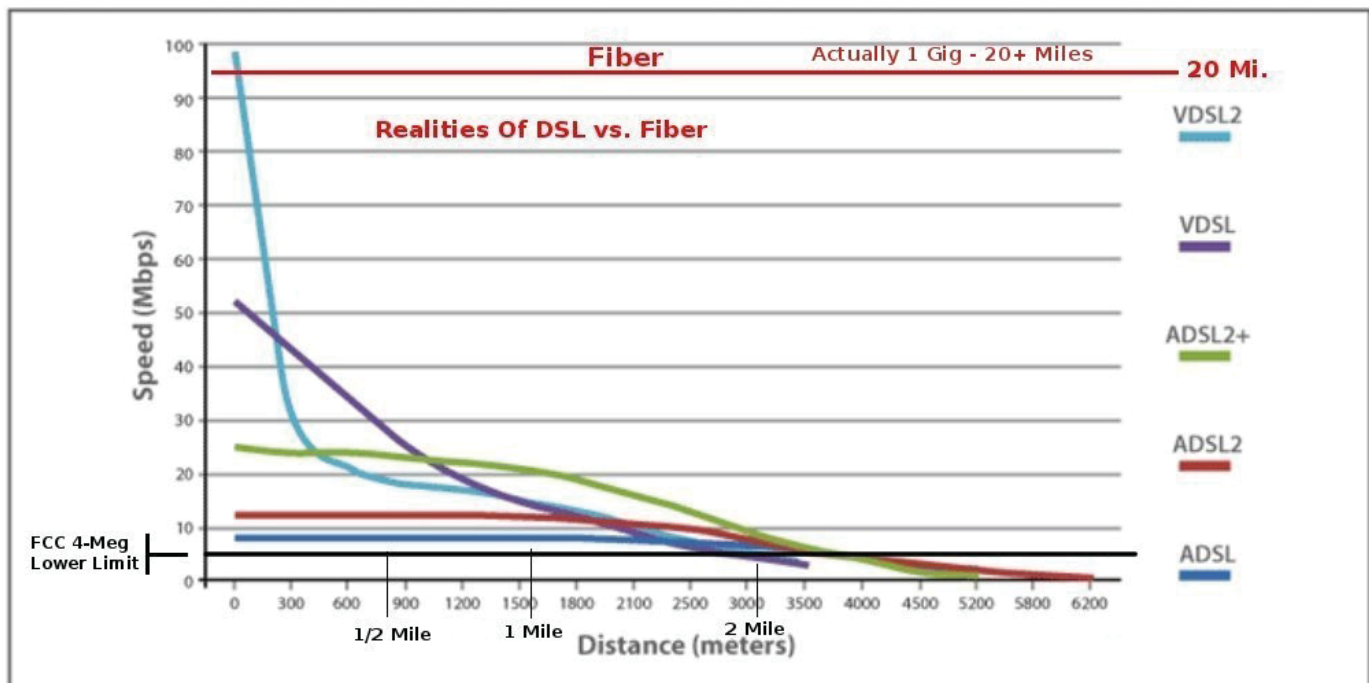
A typical new TDS install, (1 of 12) is shown to the right.

TDS Telecom did state that they were going to deploy DSL technology in this area. Which brings me to my first first point of objection. This is rural country with many miles between about everything. The speed graph shown below is well known in technical circles. It clearly depicts how incredibly slow twisted copper pair cabling is relative to distance traveled. From my perspective, inflicting DSL technology on rural dwellers at the cost of \$millions of dollars is a very bad way to function. The graphic to the right depicts technology that was obsolete well over a decade ago. I fail to understand why your organization continues to fund deployment of such ancient, non-usable, wire line technology.



*Promise Of Fiber Lost,
Courtesy Of US Taxpayer*

FTTC Speed Graph



Source: Ofcom

I would also point out that contrary to statements by TDS Telecom and others, the conversion from FTTN/DSL wire line to fiber is neither easy or inexpensive. I predict people here will now be trapped into using TDS's very slow, miserable to use technology for many many years to come.

The 2nd thing I would like to object to is the apparent throwing of money at all types of organizations and then just hope for the best. For the large sums involved I would like to see some type of project review with awards made based on technical merit and the technical qualifications and track records of potential recipients not administrative skills in filling out and submitting paper work. There also needs to be project accountability and some type of over-site at the local, State and Federal levels. This DOES NOT include incumbent self policing measures.

From my perspective, TDS owns a number of remote, small, rural, franchise service territories. In 2009/2010 when the Government started handing out many \$millions in grant money, TDS was quick to set up an assembly line, cookie cutter process to generate the necessary paper work (proposals , justifications etc.). The last three pages are an example. Once the process was refined, the Government gladly handed over many \$millions to TDS with few strings attached. As with this community, it appears most of the money went directly into TDS coffers with only minimum effort on TDS's part to provide what TDS customers really wanted and needed.

Now that community locals have finally awakened to what is going on, they are trying to correct for the many short comings of the TDS network. The locals easiest path for doing this is, of course, to put their needs once again the backs of the taxpayer. So, as with DCED, there is an effort to once again redo everything at taxpayer expense.

As a taxpayer and rate payer I'm getting really tired of paying to do things over and over and seeing no benefit. I would like to see all funding stopped in this area until tighter controls on the awards process are put in place.

USDA/RUS/TDS Telecom award data

COLORADO

Delta County Tele-Com, Inc.

Delta County Tele-Com, Inc., Broadband Project to Serve Rural Unserved Establishments

Last Mile

\$1,826,979 Grant

Delta County Tele-Com, Inc. (Delta County Tel), a subsidiary of TDS Telecom, will provide high-speed broadband service to three 100 percent rural PFSAs with four communities in its service territory. These PFSAs have 540 premises (495 households and 45 businesses) with no access to broadband service. Delta County Tel is the State-certified ILEC in Colorado. As engineered, the network will deploy Ethernet-over-copper technology to its fullest potential, provide VDSL2 access devices packaged in an FTTN configuration, upgrade access in the central office to support the extension of the broadband networks to these remote areas, use PON FTTH where economically feasible, and allow future PON upgrades without needing to rebuild the transport routes. The target speed is 20 Mbps (upstream and downstream combined) or more DSL service. This project will create or save 48 jobs.

TDS Telecom Executive Summary #631 To NTIA

<http://www.ntia.doc.gov/legacy/broadbandgrants/applications/summaries/631.pdf>

Delta County Tele-Comm, Inc., (Delta County Tel), a subsidiary of TDS Telecommunications Corp. (TDS Telecom), proposes a project that addresses the opportunity to bring high speed broadband service to remote, unserved establishments within Delta County Tel's rural franchise service territory. From a descriptive perspective, Delta County Tel is the certified incumbent local exchange carrier (ILEC) located in Colorado. Within its rural service territory, there are 2 proposed funded service areas, which are one hundred percent rural, remote and unserved by definition, and include ■■■ establishments (residential households, businesses and community anchor institutions) that currently have no access to any broadband service, including Delta County Tel's DSL service

Absent stimulus funding, and given the cost-prohibitive nature of upgrading the network to provide broadband service to these establishments, Delta County Tel has no plans to build a network to provide these unserved establishments with broadband service. This project will build a broadband network that will pass these ■■■ rural, remote and unserved establishments affording them access to the broadband network at an overall infrastructure cost of \$5,353,216, and it can begin immediately and be completed within the required timeframe.

As envisioned, this project will stimulate job growth and retention; and will provide broadband service to customers in rural, remote areas who currently do not have such access, thereby increasing these customers' access to medical and public safety agencies as well as to educational opportunities. More specifically, Delta County Tel's proposed project will rely on TDS Telecom's financial, managerial and technical expertise to meet the following goals:

- Provide DSL broadband capability to ■■■ unserved establishments in rural, remote areas at prices comparable to those offered in the areas where Delta County Tel currently offers broadband service.
- Deliver dynamic broadband speed capabilities between 3-10Mbps and provide the capability to offer 20Mbps to select sites to meet specific customer needs, all of which mirror product offerings in the more populated portions of Delta County Tel's territory.
- Generate sufficient revenues (based on an estimated subscription take rate in year 5 of ■■■% for residential households and ■■■% for business) to operate and maintain this broadband network on a self-sustaining basis.
- Directly create or retain 106 jobs to build the network while indirectly stimulating jobs and economic development.
- Allow other providers access to this network so they can also offer these same ■■■ establishments competing broadband service.

Delta County Tel is operated by TDS Telecom's senior management team and is backed by TDS Telecom's managerial, technical, and financial strength (TDS Telecom's Vice President, Network Services is the project manager). As the 8th largest wireline telephone company in the United States, TDS Telecom has a long history of building and maintaining robust voice and data networks in over one-hundred rural ILEC, high-cost areas. Moreover, TDS Telecom has deployed DSL broadband networks capable of serving approximately 91 percent of its existing customers within these high cost areas, and has successfully maintained these broadband networks.

As the community's ILEC provider, Delta County Tel already is delivering telecommunications services to most of the establishments within its territory, and has already built a broadband network that currently is capable of serving the majority of these establishments in several of the core communities. As a result, numerous establishments and critical institutions that reside within Delta County Tel's territory already have access to broadband service. Yet the surrounding area, much of which is sparsely populated, lacks broadband access due to the high cost to build such a network. In addition, while broadband is generally offered in the more populated portions of Delta County Tel's territory, facilities-based terrestrial broadband service is not available to the ■■■ establishments in the proposed funded service areas.

As many individuals of these unserved establishments indicated recently in a survey, they need access to high speed broadband services at rates comparable to those available in other portions of Delta County Tel's service territory. Clearly, the availability of broadband services to the isolated, rural areas of Delta County Tel's service territory will provide these establishments with many new opportunities and the potential for economic growth similar to that currently being experienced in other areas of the territory that already enjoy broadband service. More specifically, this project will bring broadband service to these rural areas providing them access to distance learning, services provided by libraries, social services and health services agencies, and enable residents to telecommute to their jobs.

As engineered, the proposed network will:

- Deploy "Ethernet over copper" technology to its fullest potential.
- Provide VDSL2 access devices that are packaged in a "fiber to the node" configuration.
- Upgrade access in the central office to the extent necessary to support the extension of the broadband networks to these remote areas.
- Utilize PON (fiber to the home) where economically feasible and allow for future PON upgrades without having to rebuild the transport routes.
- Target speed to unserved customers at 3-10Mbps with the ability to offer 20Mbps or more DSL service to select sites where it is technologically feasible.

Delta County Tel, through TDS Telecom, already has engaged its RUS certified contractors to plan and construct this project upon receipt of funding. The network engineering, construction and service deployment, therefore, can commence immediately upon receipt of funding and would be constructed within the required timeframe. As a direct result of constructing this project, it is estimated that 106 jobs will be directly created or retained, and that numerous indirect jobs (e.g., equipment manufacturers, home businesses) will be stimulated as a result of constructing this project.

Delta County Tel today offers DSL service in the more densely-populated portions of its service territory at a competitive price [REDACTED] along with various other packages and services. Assuming similar take rates as in these more populated areas, Delta County Tel would offer its DSL service to the additional [REDACTED] establishments that are the subject of this application at this same price. Dependent upon state regulatory requirements, Delta County Tel intends to offer a [REDACTED] percent discount to any critical community facility located in these proposed funded service areas. Revenues generated from these new customers are expected to be sufficient to cover ongoing operating and maintenance expenses associated with serving these new customers because, if stimulus funding is provided, Delta County Tel will not need to recover capital expenditures. Delta County Tel's proposal, therefore, is financially sustainable.

Upon completion of this project, Delta County Tel will comply with the non-discrimination requirements and interconnection obligations required of all funding applicants as it currently does for provisioning broadband service in other areas of its service territory. These commitments, with which Delta County Tel already is familiar due to its status as an ILEC and provider of broadband Internet access service, will afford additional providers access to Delta County Tel's network on reasonable terms and conditions, allowing them to offer their own competing broadband services and applications to Delta County Tel's customers.

While the costs of deploying a broadband network to these remote unserved establishments is much higher than in other portions of its territory, Delta County Tel and its parent, TDS Telecom, have extensive experience in deploying networks to rural customers, and have the institutional capability to ensure that the network is designed and deployed as efficiently as possible in order to maximize consumer benefits. By building this network, this community of establishments will be connected, and will reap the benefits of increased employment, enhanced access to medical and public safety facilities, increased access to educational opportunities, and most importantly, the ability to become full participants in the broadband world of tomorrow.